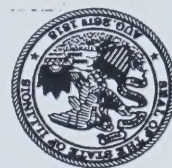


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JULY UNEMPLOYMENT INCREASES TO 6.7 PERCENT

Statistics released by the Illinois Department of Employment Security show that, after holding steady at 6.3 percent for two months, the Illinois unemployment rate increased to 6.7 percent in July. According to a monthly survey of employers, payroll jobs are down 1.4 percent from a year ago.

The Transportation, Communications, and Public Utility sector has experienced the greatest decline in employment (10,900, or 3.1%) since last July, with most of these losses occurring in the transportation industry. Employment in the Finance, Insurance, and Real Estate sector has declined the least, losing only 0.9 percent of its jobs over the last year.

CHICAGO CPI DECLINES 0.5 PERCENT IN JULY

July consumer prices in Chicago dipped about 0.5 percent from June levels, but are still up 2.0 percent from a year ago. Prices increased the most for utility natural gas service (8.6%) and motor fuel (5.8%). Apparel prices declined the most at 6.1 percent.

PURCHASING MANAGERS INDEX RISES

The Purchasing Managers Index increased to 54.9 in August, up from 51.5 in July. Values over 50 indicate industrial expansion. Data for production and new orders suggest increased industrial activity, but this has not yet resulted in increased employment levels.

AUGUST FLASH INDEX REMAINS AT 95.4

The University of Illinois' Flash Index of Economic Growth remained steady at 95.4 in August. The Index has stabilized in recent months but remains below 100, the threshold for positive growth.

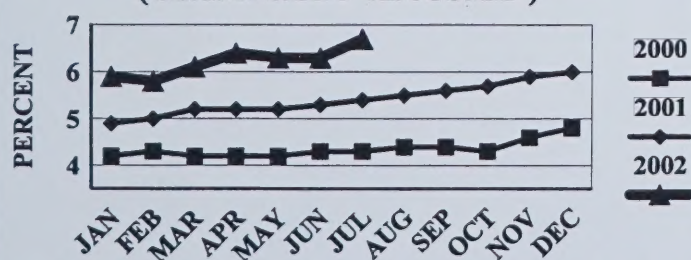
Vol. 15, No. 1, September 2002

RECENT IL INDICATORS

Unemployment Rate (July '02 - SA)	6.7%
Labor Force (July '02 - SA)	6,280,100
Labor Force Employed (July '02 - SA)	5,861,800
Employment Change (Since July '01 - SA)	-141,200
Consumer Price Index Change (July '01 - July '02 - Chicago)	2.0%
Total Exports (June '01 - June '02)	-22.9%
Purchasing Managers Index (August - Chicago - SA)	54.9
Single Family Housing Permits (July '02 vs. July '01)	0.3%
New Car/Truck Registration (July '02 vs. July '01)	4.3%

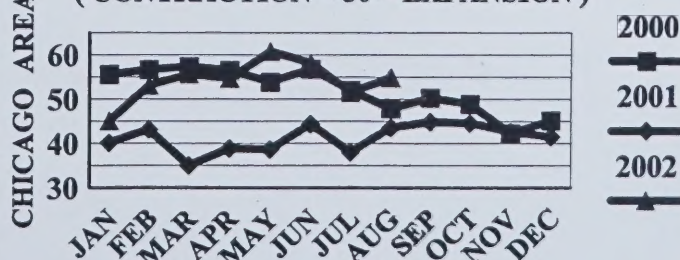
 SA-Seasonally Adjusted
AR-Annual Rate

ILLINOIS UNEMPLOYMENT RATE (SEASONALLY ADJUSTED)



SOURCE: IL DEPT. OF EMPLOYMENT SECURITY

PURCHASING MANAGERS INDEX (CONTRACTION < 50 > EXPANSION)



SOURCE: NATIONAL ASSOCIATION OF PURCHASING MANAGERS

LEADING EXPORT INDUSTRIES IN ILLINOIS

Despite a 6.9 percent decline in exports from the year before, the Machinery (excluding electrical) manufacturing sector led Illinois industries with \$7.9 billion in foreign exports in 2001. Other sectors with at least \$1 billion of exports include Computer and Electronic Products (\$5.3 billion); Chemicals (\$4.6 billion); Electronic Equipment, Appliances, and Components (\$2.2 billion); Transportation Equipment (\$2.2 billion); Agricultural Products (\$2.2 billion); and Food and Kindred Products (\$1.8 billion).

While Illinois exports declined overall by 1.4 percent in 2001, two of the largest sectors experienced double-digit growth. Food and Kindred Products exports had the largest increase at 14.0 percent, followed by Electronic Equipment, Appliances, and Components with growth of 11.4 percent. Fabricated Metal Products experienced the sharpest decline at 11.9 percent.

Top Exporting Industries in Illinois by Value of Exports (Millions)				
Rank	Industry (NAICS)	2000	2001	Percent Change
1	Machinery, Except Electrical	\$8,462	\$7,882	-6.9%
2	Computer and Electronic Products	\$5,386	\$5,318	-1.3%
3	Chemicals	\$4,614	\$4,603	-0.2%
4	Electronic Equipment, Appliances and Components	\$1,959	\$2,182	11.4%
5	Transportation Equipment	\$2,198	\$2,181	-0.8%
6	Agricultural Products	\$2,076	\$2,157	3.9%
7	Food and Kindred Products	\$1,541	\$1,757	14.0%
8	Miscellaneous Manufacturing Commodities	\$998	\$983	-1.5%
9	Fabricated Metal Products	\$1,045	\$920	-11.9%
10	Plastics and Rubber Products	\$895	\$877	-2.0%
	Illinois Total	\$32,249	\$31,807	-1.4%
Source: Massachusetts Institute for Social and Economic Research				

ILLINOIS HIGHLIGHTS

- **Site Selection Magazine** reports that a recent Ohio State University study rates Chicago as the best city in the United States for Internet accessibility, an honor largely attributable to the fact that Chicago has the most Internet paths between itself and other cities. According to World Business Chicago, 7 million terabytes of data move through Chicago’s Internet infrastructure each day, which is equivalent to 60,000 pages of text per second. The Midwest Research & Education Network (MREN), a consortium of prominent research institutions including the University of Chicago, Argonne National Laboratory, the University of Illinois at Chicago, Fermi National Accelerator Laboratory and Northwestern University, uses the city’s Network Access Point (NAP) as its hub.
- Unilever, one of the world’s largest consumer products companies, has announced plans to build a 1.3 million square-foot distribution/repackaging facility in the Gateway Commerce Center in Pontoon Beach. The \$50 million facility will be one of the largest distribution centers in the Midwest, and will create 350 new jobs.

DRI-WEFA - JULY 2002 U.S. ECONOMIC OUTLOOK

- Economic forecasting firm DRI-WEFA contends that the worst of the fallout from the dot-com and telecom meltdowns is over. A double-dip recession is considered possible but unlikely. Consumer demand and federal spending will probably compensate for lackluster business investment and cutbacks in local and state government spending.
- National GDP grew at a 1.1 percent clip during the second quarter of 2002, down sharply from 5.0 percent in the first quarter. DRI-WEFA nonetheless expects growth to accelerate to about 3.4 percent during the second half, which would bring growth to about 2.5 percent for the year.
- Inflation in consumer prices is likely to reach 3.0 percent soon. Given the softness in the labor market, however, DRI-WEFA does not expect the Fed to respond with higher interest rates until well into 2003. In the short run, in fact, another federal funds rate cut is deemed more likely than an increase.

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AUGUST UNEMPLOYMENT DECLINES TO 6.2 PERCENT

The Illinois unemployment rate dropped half a point to 6.2 percent in August, according to statistics released by the Illinois Department of Employment Security (IDES). The total number of people unemployed declined by 29,500 to 390,200 from July levels, while total employment grew by 10,800 to 5.87 million, marking the first jobs increase in six months.

CHICAGO CPI INCREASE 0.2 PERCENT IN AUGUST

The Chicago Consumer Price Index, as reported by the U.S. Bureau for Labor Statistics, increased 0.2 percent in August. The index has increased 2.0 percent in the last 12 months, compared to 1.8 percent nationally and 1.6 percent in the Midwest.

PURCHASING MANAGERS INDEX FALLS SHARPLY

The Chicago Purchasing Managers Index fell nearly seven points in September to 48.1, dropping below the 50.0 threshold for positive industrial growth for the first time since January. Production trends remained positive, but new orders joined order backlogs and inventories in negative territory.

SEPTEMBER FLASH INDEX STAYS AT 95.4

The University of Illinois' Flash Index of Economic Growth remained at 95.4 for the third consecutive month. The Flash Index is a weighted average of Illinois growth rates in corporate earnings, consumer spending and personal income. The Flash Index has been below 100, the threshold for positive growth, since April 2001. U of I economist J. Fred Giertz reports that the state economy is static -- favorable employment news is offset by lackluster retail and industrial sales.

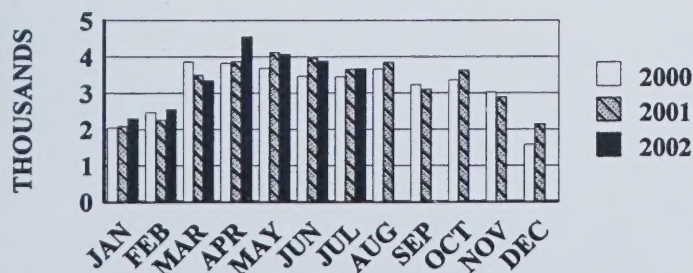
Vol. 15, No. 2, October 2002

RECENT IL INDICATORS

Unemployment Rate (August '02 - SA)	6.2%
Labor Force (August '02 - SA)	6,261,500
Labor Force Employed (August '02 - SA)	5,871,300
Employment Change (Since August '01 - SA)	-111,600
Consumer Price Index Change (August '01 - August '02 - Chicago)	2.0%
Total Exports (July '01 - July '02)	-15.0%
Purchasing Managers Index (August - Chicago - SA)	48.1
Flash Index (August '02)	95.4
Single Family Housing Permits (July '01 - July '02)	0.3%

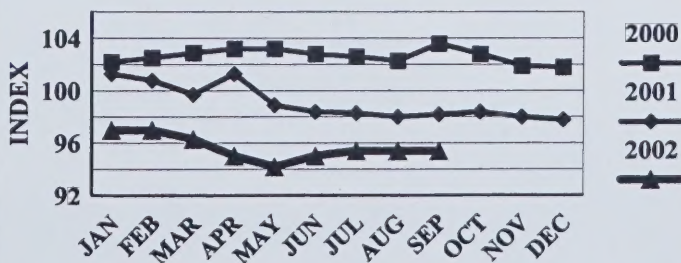
SA-Seasonally Adjusted

ILLINOIS RESIDENTIAL BUILDING PERMITS (SINGLE - FAMILY)



SOURCE: ILLINOIS ECONOMIC AND FISCAL COMMISSION

U of I " FLASH INDEX " (Economic Contraction < 100 > Economic Expansion)



SOURCE: UNIVERSITY OF ILLINOIS

Top Manufacturing Employers in Illinois

Caterpillar is the largest manufacturing employer in Illinois with 24,000 employees located in the state; most work near the company’s Peoria headquarters. The two next-largest Illinois manufacturers, Motorola (19,000 employees) and Abbott Laboratories (17,200), are also headquartered in Illinois. The top 10 also include General Electric (11,900), Philip Morris/Kraft Foods (9,000), Illinois Tool Works (8,600), Archer Daniels Midland (8,500), Deere (7,300), Lucent Technologies (7,000), and the Chicago Tribune (5,700).

TOP MANUFACTURING EMPLOYERS IN ILLINOIS		
Rank	Company	Employees
1	Caterpillar	24,000
2	Motorola	19,000
3	Abbott Laboratories	17,200
4	General Electric	11,900
5	Philip Morris/Kraft Foods	9,000
6	Illinois Tool Works	8,600
7	Archer Daniels Midland	8,500
8	Deere	7,300
9	Lucent Technologies	7,000
10	Chicago Tribune	5,700
11	Ford	5,300
12	General Motors	5,200
12	RR Donnelley & Sons	5,200
14	Honeywell	5,100
15	PepsiCo/Quaker Oats/Frito-Lay	4,900
16	Baxter Healthcare	4,500
17	Hollinger Publishing/Sun-Times	4,400
18	United Technologies/Sunstrand/Otis Elevator	4,200
19	Unilever	3,800
20	Maytag	3,600
Sources: Dun & Bradstreet, Illinois Department of Employment Security, and discussions with company personnel.		

ILLINOIS HIGHLIGHTS

- U.S. News and World Report’s annual ranking of National Universities - Doctoral (schools with a wide range of undergraduate and graduate programs that often emphasize research) included three Illinois universities among the top 40: Northwestern (10th), the University of Chicago (12th), and the University of Illinois at Urbana-Champaign (38th). Five Illinois schools -- Bradley University, North Central College, Dominican University, North Park University, and Eastern Illinois University -- were ranked among the top Midwestern schools in the Master’s category. These schools offer a wide range of undergraduate and Master’s degrees but few doctoral programs. Millikin University, Elmhurst College, and McKendree College were rated among the best Midwestern schools in the Bachelor’s division, which features institutions that focus on undergraduate education in a range of degree programs.
- Two Illinois universities were also included in the Wall Street Journal’s ranking of the nation’s top 10 business schools based on interviews with corporate recruiters: Northwestern (4th) and the University of Chicago (6th). Northwestern and the University of Chicago were rated best in marketing and quantitative analysis, respectively.

DRI-WEFA - SEPTEMBER 2002 U.S. ECONOMIC OUTLOOK

- Economic forecasting firm DRI-WEFA contends that the 1.1 percent GDP growth rate during the second quarter will mark the low point for 2002. Growth of 2.3 percent is expected for the year, down slightly from the previous month’s estimate.
- A “double-dip” recession is still considered unlikely. Consumers are being more cautious and business investment remains weak, but employment is registering modest increases. DRI-WEFA interprets the economic trends as slower progress, not as an impending relapse into recession.

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SEPTEMBER UNEMPLOYMENT INCREASES SLIGHTLY

The Illinois unemployment rate increased slightly to 6.3 percent in September, according to statistics released by the Illinois Department of Employment Security (IDES). The total number of people unemployed increased by 4,000 from August levels, while total employment declined by 27,500 to 5.85 million.

CHICAGO CPI INCREASES 0.3 PERCENT IN SEPTEMBER

The Chicago Consumer Price Index, as reported by the U.S. Bureau for Labor Statistics, increased 0.3 percent in September. The index has increased 1.3 percent in the last 12 months, compared to 1.5 percent nationally and 0.9 percent in the Midwest.

PURCHASING MANAGERS' INDEX DECLINES

The Chicago Purchasing Managers' Index declined by more than two points in September to 45.9, remaining below the 50.0 threshold for positive industrial growth for the second consecutive month. Indices for prices paid and supplier deliveries remained positive, but production trends turned negative for the first time this year.

SEPTEMBER FLASH INDEX RISES TO 95.6

The University of Illinois' Flash Index of Economic Growth increased slightly to 95.6 after holding at 95.4 for the three previous months. The Flash Index is a weighted average of Illinois growth rates in corporate earnings, consumer spending and personal income. The Flash Index has been below 100, the threshold for positive growth, since April 2001. U of I economist J. Fred Giertz reports that the Fed is likely to cut interest rates in an effort to promote growth.

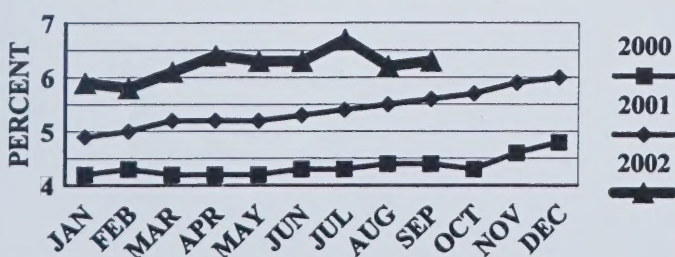
Vol. 15, No. 3, November 2002

RECENT IL INDICATORS

Unemployment Rate (September '02 - SA)	6.3%
Labor Force (September '02 - SA)	6,242,500
Labor Force Employed (September '02 - SA)	5,847,100
Employment Change (Since September '01 - SA)	-134,700
Consumer Price Index Change (September '01-September '02 Chicago)	1.3%
Total Exports (August '01 - August '02)	-15.3%
Purchasing Managers' Index (August - Chicago - SA)	45.9
Flash Index (October '02)	95.6
Single Family Housing Permits (July '01 - July '02)	0.3%

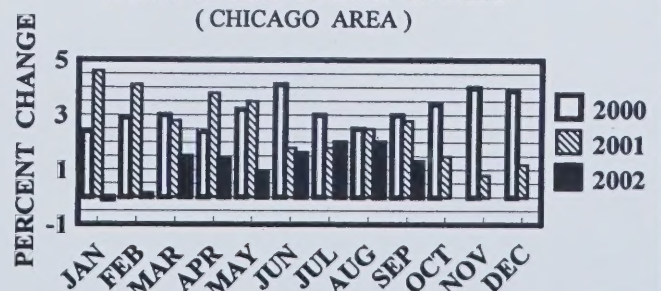
SA-Seasonally Adjusted

ILLINOIS UNEMPLOYMENT RATE
(SEASONALLY ADJUSTED)



SOURCE: IL DEPT. OF EMPLOYMENT SECURITY

CONSUMER PRICE INDEX
(CHICAGO AREA)



SOURCE: U. S. DEPARTMENT OF LABOR

State and Local Tax Burden In Illinois

Illinois residents will pay about 10.0 percent of their income in state and local taxes in 2002, according to research conducted by the Tax Foundation. Illinois' tax burden is the 31st highest among the 50 states. The states with the highest state and local tax burdens are Maine (12.8 percent), New York (12.3 percent), and Wisconsin (12.0 percent). The lowest burdens occur in Alaska (6.3 percent), Tennessee (8.4 percent), and New Hampshire (8.6 percent).

State and Local Tax Burdens Across U.S. States (2002)					
Rank	State	State and Local Taxes (Percent of Income)	Rank	State	State and Local Taxes (Percent of Income)
1	Maine	12.8%	26	Arkansas	10.2%
2	New York	12.3%	27	Delaware	10.2%
3	Wisconsin	12.0%	28	Arizona	10.1%
4	Hawaii	11.6%	29	North Carolina	10.1%
5	Minnesota	11.3%	30	South Carolina	10.0%
6	Rhode Island	11.3%	31	Illinois	10.0%
7	Utah	11.2%	32	Montana	10.0%
8	Ohio	11.2%	33	Oklahoma	9.9%
9	Vermont	11.0%	34	Indiana	9.9%
10	Connecticut	10.9%	35	Pennsylvania	9.9%
11	New Mexico	10.9%	36	Wyoming	9.8%
12	Nebraska	10.8%	37	Maryland	9.7%
13	Michigan	10.7%	38	Missouri	9.7%
14	Mississippi	10.7%	39	Massachusetts	9.5%
15	Louisiana	10.5%	40	Virginia	9.4%
16	Idaho	10.5%	41	Oregon	9.4%
17	Kentucky	10.5%	42	Florida	9.3%
18	West Virginia	10.5%	43	Nevada	9.2%
19	Washington	10.5%	44	South Dakota	9.1%
20	Kansas	10.4%	45	Colorado	9.1%
21	Iowa	10.4%	46	Alabama	9.1%
22	New Jersey	10.3%	47	Texas	9.0%
23	California	10.3%	48	New Hampshire	8.6%
24	Georgia	10.2%	49	Tennessee	8.4%
25	North Dakota	10.2%	50	Alaska	6.3%
Source: Tax Foundation					

ILLINOIS HIGHLIGHTS

- The October Economic Bulletin reported that the business schools at Northwestern and the University of Chicago were ranked among the 10 best by the *Wall Street Journal*. The schools fared even better in *Business Week*'s assessment, with Northwestern's Kellogg School and the University of Chicago finishing first and second. Northwestern is credited for its close-knit culture and honing of marketing skills, while the University of Chicago graduates are lauded for their financial and analytical skills.
- According to *Site Selection Magazine*, Illinois ranked sixth among the 50 states from August 2001 to August 2002 with 21 new or expanded food facilities.

GLOBAL INSIGHT - OCTOBER 2002 U.S. ECONOMIC OUTLOOK

- Global Insight -- the economic forecasting firm formerly known at DRI-WEFA -- reports that the recovery is plodding along. Growth of 2.4 percent is expected for 2002 and is forecast at 3.0 percent for 2003 and 4.0 percent for 2004.
- The "real" economy is in better shape than the battered financial markets would indicate. Investor uncertainty regarding war in the Middle East and the market's ability to accurately price stocks are dominating a more confident assessment of the long-term vigor of corporate America.

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ILLINOIS ECONOMIC BULLETIN MAKES ON-LINE DEBUT

Vol. 15, No. 4, December 2002

DCCA now posts the most recent edition of the *Illinois Economic Bulletin* on its Web page. To access the electronic version, go to <http://www.commerce.state.il.us/bus/research/ilfacts.html>. There you will find the Illinois Economic Facts Database page. Then click on the link for the *Current Economic Bulletin* on the right-hand side of the screen. To search our Illinois Facts database, which includes information from previous Economic Bulletins as well as other data pertaining to Illinois' economy and quality of life, click on the *Search for Illinois Facts* link in the middle of the Illinois Economic Facts Database page.

OCTOBER UNEMPLOYMENT INCREASES TO 6.7 PERCENT

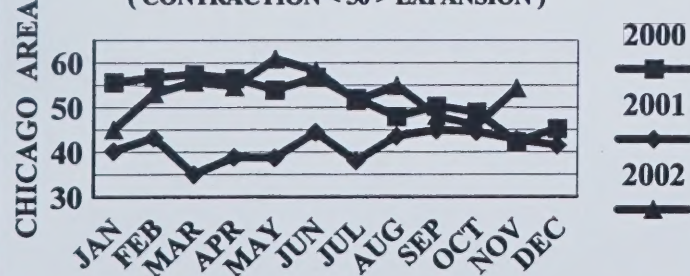
The Illinois unemployment rate increased to a seasonally-adjusted 6.7 percent in October, according to estimates released by the Illinois Department of Employment Security (IDES). IDES notes that the three-month weighted average of 6.4 percent (unchanged from September) is probably a more accurate indicator of current trends. The unadjusted unemployment rate for October was estimated at 6.0 percent (up 0.1 percent from September). The seasonally-adjusted figures "filter out" predictable seasonal fluctuations in employment -- such as decreased construction employment during the winter -- and are more useful for analyzing trends, while the unadjusted rate provides a more accurate snapshot of current employment.

PURCHASING MANAGERS' INDEX INCREASES SHARPLY

The Chicago Purchasing Managers' Index reversed a two-month decline in November on the strength of positive trends in production and new orders, climbing back into positive territory at 54.3. Values above 50.0 indicate industrial expansion.

RECENT IL INDICATORS

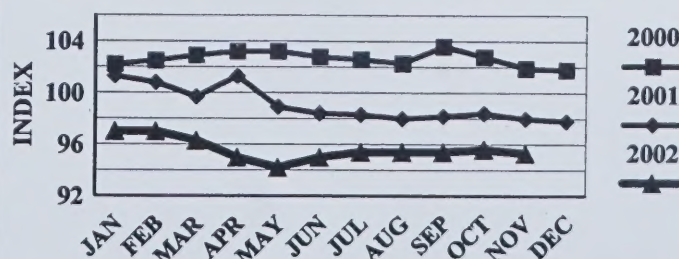
Unemployment Rate	
(October '02 - SA)	6.7%
(October '02 - NSA)	6.0%
Labor Force	6,249,900
(October '02 - SA)	
Labor Force Employed	5,828,700
(October '02 - SA)	
Employment Change	-144,700
(Since October '01 - SA)	
Consumer Price Index Change	2.6%
(October '01 - October '02 Chicago)	
Total Exports	-16.2%
(September '01 - September '02)	
Purchasing Managers' Index	54.3
(November - Chicago - SA)	
Flash Index	95.3
(November '02)	
Single Family Housing Permits	24.4%
(October '01 - October '02)	

SA - Seasonally Adjusted
NSA - Not Seasonally AdjustedPURCHASING MANAGERS' INDEX
(CONTRACTION < 50 > EXPANSION)

SOURCE: NATIONAL ASSOCIATION OF PURCHASING MANAGERS

U of I "FLASH INDEX"

(Economic Contraction < 100 > Economic Expansion)



SOURCE: UNIVERSITY OF ILLINOIS

Median Household Income

Illinois' median household income was \$46,760 over the 2000-2001 period, according to State Policy Reports, ranking 14th among the states. Illinois' median income exceeded the national average of \$42,695 by more than \$4,000, or 9.5 percent. Many of the leading states are located in the West and Northeast, while Southern states comprise seven of the bottom 10.

Median Household Income in U.S. States, 2000-2001					
Rank	State	Median Household Income	Rank	State	Median Household Income
1	Alaska	\$55,842	26	New York	\$41,998
2	Maryland	\$54,794	27	Kansas	\$41,810
3	Minnesota	\$54,223	28	Arizona	\$41,799
4	Connecticut	\$52,460	29	Iowa	\$41,556
5	New Hampshire	\$51,839	30	Indiana	\$41,192
6	New Jersey	\$51,791	31	Vermont	\$40,747
7	Delaware	\$50,686	32	Texas	\$40,273
8	Hawaii	\$50,212	33	Wyoming	\$40,227
9	Massachusetts	\$50,155	34	North Carolina	\$38,774
10	Colorado	\$49,492	35	South Dakota	\$38,582
11	Virginia	\$49,360	36	Idaho	\$38,451
12	Utah	\$48,110	37	Florida	\$38,181
13	California	\$47,692	38	South Carolina	\$38,177
14	Illinois	\$46,760	39	Kentucky	\$37,857
15	Nevada	\$46,219	40	Maine	\$37,459
16	Michigan	\$45,915	41	North Dakota	\$36,397
17	Wisconsin	\$45,846	42	Alabama	\$35,786
18	Rhode Island	\$44,549	43	Tennessee	\$35,415
19	Missouri	\$43,847	44	New Mexico	\$34,598
20	Pennsylvania	\$43,426	45	Oklahoma	\$34,473
21	Nebraska	\$43,263	46	Montana	\$32,909
22	Washington	\$43,101	47	Mississippi	\$32,709
23	Ohio	\$42,973	48	Louisiana	\$32,449
24	Georgia	\$42,823	49	Arkansas	\$31,932
25	Oregon	\$42,479	50	West Virginia	\$29,952
Source: State Policy Reports					

ILLINOIS HIGHLIGHTS

- **Inc. Magazine's** Inc. 500, a listing of the fastest-growing privately held companies in the U.S based on revenue growth over the last five years, included 26 Illinois companies. Illinois tied Virginia for fifth in the number of firms on the list, behind only California (58), Texas (47), Florida (31), and New York (28).
- **Forbes Magazine's** list of the 257 privately held firms with at least \$1 billion in annual revenue includes 16 Illinois companies. The largest Illinois company represented on the list was the Chicago-based Marmon Group (16th overall), an international association of more than 100 manufacturing and service companies with a combined \$6.4 billion in revenue in 2001. Others in the top 100 overall include Reyes Holding (31st), Eby-Brown (36th), Clark Retail Enterprises (65th), Sirva (76th), and H Group Holding (89th).

GLOBAL INSIGHT - NOVEMBER 2002 U.S. ECONOMIC OUTLOOK

- Global Insight reports that the third-quarter real annual GDP growth rate was 4.0 percent. The forecasting firm does expect growth to slow somewhat in the short term as consumer spending, propelled in recent months by brisk auto sales, levels off. More significant growth is expected next year as businesses resume hiring.
- The past year's growth was driven entirely by increases in per-worker productivity, as businesses sought to increase profitability. Over the short term, such growth produces few jobs and depresses demand, though it does set the stage for more robust growth in the future.

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ILLINOIS ECONOMIC BULLETIN

JULY 2003

MARCH UNEMPLOYMENT UP TO 6.6 PERCENT

The seasonally-adjusted unemployment rate increased to 6.6 percent in March, up from 6.5 percent in February, according to statistics released by the Illinois Department of Employment Security (IDES). Total unemployment increased by 5,500 to 422,300. Total jobs increased by 20,300, though they are still down 16,800 from a year ago. The three-month average unemployment rate, widely considered a more reliable indicator, remained at 6.5 percent, and the unadjusted unemployment rate remained at 7.1 percent.

IDES Director Brenda A. Russell noted that the slight increase in the unemployment rate reflects continued weakness in the labor market. She also noted that payroll jobs increased in only four of 12 major industry groups over the last year.

MANUFACTURING INDEX REMAINS BELOW 50

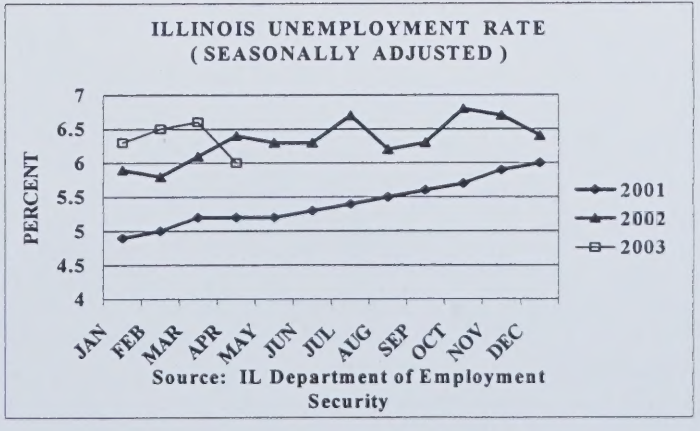
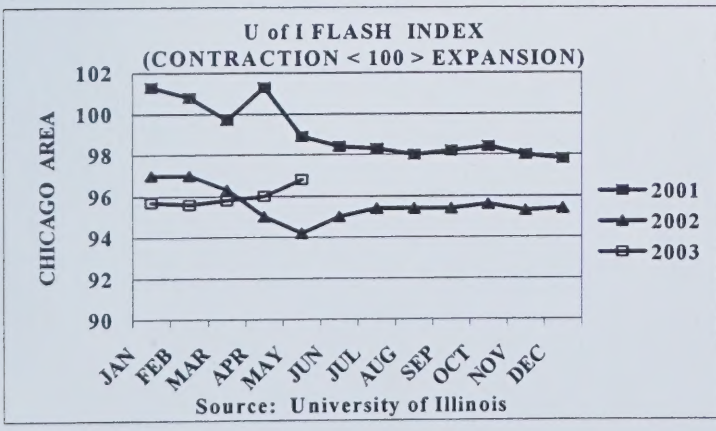
The Purchasing Managers' Chicago composite index declined for the third consecutive month in April, falling to 47.6. Values below 50 indicate contraction in the manufacturing sector. The production index actually indicated modest expansion with a value of 51.0, but the composite was pulled down by factors such as declines in new orders (44.6) and employment (43.7). Employment has been declining consistently in recent months, even during production upswings, as manufacturing employers seek to improve productivity and hold the line on payroll.

Vol. 15, No. 9, May 2003

RECENT IL INDICATORS

Unemployment Rate	
(March '03 - SA)	6.6%
(March '03 - NSA)	7.1%
Labor Force	6,397,700
(March '03 - SA)	
Labor Force Employed	5,975,400
(March '03 - SA)	
Employment Change	-16,800
(Since March '02 - SA)	
Consumer Price Index Change	2.8%
(Since March '02 - Chicago)	
Total Exports	5.0%
(February '02 - February '03)	
Purchasing Managers' Index	47.6
April '03 - Chicago - SA)	
Flash Index	96.0
(April '03)	
Single Family Housing Permits	-8.9%
(February '02 - February '03)	

SA - Seasonally Adjusted
NSA - Not Seasonally Adjusted



For more information, contact:
John O'Conner, Illinois Department of Commerce and Economic Opportunity (DCEO)
217/557-1820 ■ 800/785-6055 (TDD)

VEHICLE ASSEMBLY IN 2002

More than 600,000 cars and light trucks were assembled in Illinois auto plants in Illinois in 2002, up slightly from 2001. This production ranked seventh among the states, behind only Michigan, Ohio, Kentucky, Missouri, Kansas, and Tennessee. Illinois ranked third, behind Michigan and Ohio, in the production of passenger cars. As evidenced by the list below, auto manufacturing is concentrated in the Midwest, with the top eight producing states (comprising 77% of the U.S. total) laying along a broad belt stretching from Ohio to Kansas. The region benefits from its skilled labor, strong infrastructure, and ready access to suppliers.

Illinois is home to three assembly facilities. The Ford facility in Chicago, which produces the Ford Taurus and the Mercury Sable, assembled a state-high 237,600 vehicles in 2002. The Mitsubishi plant in Normal, slated for expansion (see highlight below), was second with 202,600 vehicles assembled, mostly Galants and Eclipses. The DaimlerChrysler facility in Belvidere ranked third with 169,000 vehicles assembled.

U.S. CARS AND LIGHT TRUCKS ASSEMBLED BY STATE 2001-2002			
	State	2001	2002
1	Michigan	2,687,243	2,918,788
2	Ohio	1,739,087	2,133,688
3	Kentucky	1,144,586	1,214,668
4	Missouri	683,947	756,014
5	Kansas	660,814	677,193
6	Tennessee	501,418	643,146
7	Illinois	605,278	609,211
8	Indiana	598,546	594,500
9	Georgia	441,957	482,903
10	California	351,681	369,856
11	New Jersey	415,532	309,314
12	Wisconsin	248,334	257,756
13	Virginia	195,160	228,843
14	Texas	203,153	220,450
15	Alabama	82,229	196,291
16	Minnesota	173,163	181,257
17	Louisiana	154,048	175,913
18	South Carolina	119,324	121,600
19	Oklahoma	60,171	120,697
20	Delaware	103,516	98,899
21	Maryland	82,264	76,595
	Total U.S.	11,251,451	12,387,582
Source: Automotive News, 2003 Market Data Book			

ILLINOIS HIGHLIGHTS

- Mitsubishi Motors of North America recently announced a \$200 million expansion of the company’s facility in Normal. With the expansion, the plant will build the new Endeavor SUV.
- Three Chicago companies made Inc. Magazine’s 2003 list of the 100 fastest-growing inner-city firms in the U.S. Danielle Ashley Advertising and Public Relations ranked highest (12th) among local firms. Ameriscan Designs, a maker of custom cabinets and other furnishings, ranked 54th. Evans Food Products, which makes pork rind snacks, ranked 72nd.

GLOBAL INSIGHT - APRIL 2003 U.S. ECONOMIC OUTLOOK

- The economic forecasting firm Global Insight expects the economy to gain momentum over the summer and fall, ending a two-and-a-half year stretch of sub-par growth. GDP growth should accelerate to about 4% during the second half of 2003.
- Hiring will remain lackluster, however, through the spring of 2003. Businesses are expected to continue to hold off hiring as long as possible, hoping to squeeze higher productivity out of the existing work force.
- Exports will benefit from the lower dollar and are expected increase slowly but steadily. Expansionary federal fiscal policies, including expenditures on the Iraqi conflict and homeland security, in addition to upcoming tax cuts, will likely more than compensate for budget-tightening state governments.

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ILLINOIS ECONOMIC BULLETIN

APRIL UNEMPLOYMENT FALLS TO 6.3 PERCENT

Vol. 15, No. 10, June 2003

Illinois' seasonally-adjusted unemployment declined from 6.6 percent in March to 6.3 percent in April, according to statistics released by the Illinois Department of Employment Security. The number of unemployed declined by 22,100 from the month before and stands at 14,800 fewer than in April of 2002. The unadjusted unemployment rate for April came in at 6.2 percent.

As Illinois' unemployment eased slightly, the U.S. unemployment rate in April increased to a seasonally-adjusted 6.0 percent, up from 5.8 percent in March and February. The gap between the Illinois and national rates is now smaller than it has been since December of 2001.

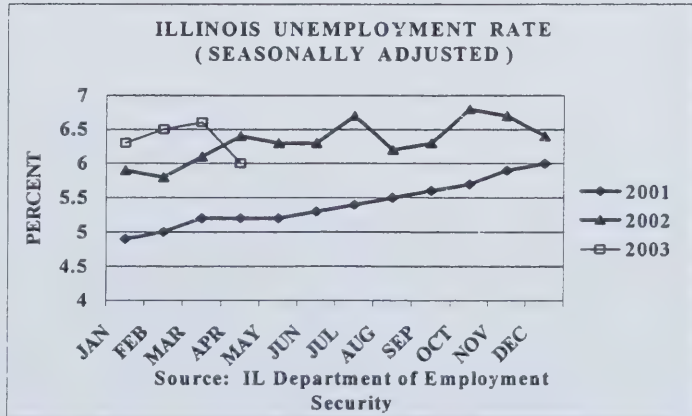
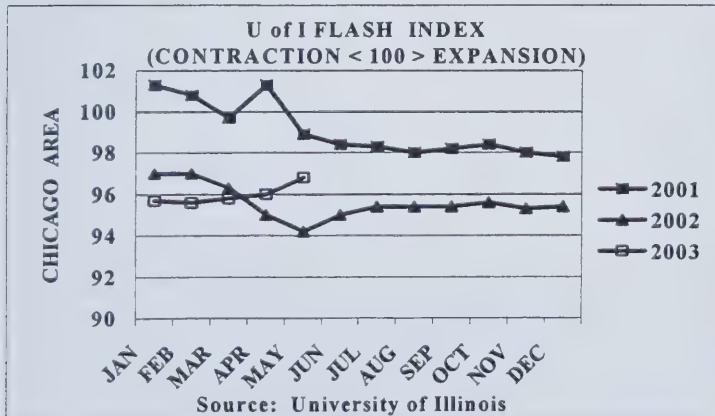
DECO ECONOMIC INDICATORS ON THE WEB

DECO has introduced a new Economic Indicators System to its website. The system includes an array of indicators of economic activity for the nation, Illinois, and (in some cases) counties. All indicators have annual and quarterly data. For many indicators, monthly data is also available. Specific indicators include information on the labor force, initial jobless claims, exports, retail sales, building permits, and similar data. The site also includes descriptions of each indicator and brief highlights from the previous quarter. To access the Economic Indicators database, go to <http://www.illinoisbiz.biz/bus/research/econ.html> and click on the Economic Indicators link.

RECENT IL INDICATORS

Unemployment Rate (April '03 - SA)	6.0%
(April '03 - NSA)	6.2%
Labor Force (April '03 - SA)	6,377,200
Labor Force Employed (April '03 - SA)	5,975,800
Employment Change (Since April '02 - SA)	1,100
Consumer Price Index Change (Since April '02 - Chicago)	1.4%
Total Exports (March '02 - March '03)	1.1 %
Purchasing Managers' Index (May '03 - Chicago - SA)	52.2
Flash Index (May '03)	96.8
Single Family Housing Permits (March '02 - March '03)	6.4%

SA - Seasonally Adjusted
NSA - Not Seasonally Adjusted



For more information, contact:

John O'Conner, Illinois Department of Commerce and Economic Opportunity (DCEO)
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EMPLOYMENT IN ILLINOIS METRO AREAS

Unemployment rates in Illinois metropolitan areas (not seasonally adjusted) ranged from a low of 2.3 percent in Bloomington-Normal to a high of 7.5 percent in Rockford in this May. Unemployment fell in six of the 10 metro areas over the preceding 12 months, including a sharp drop from 7.7 percent to 6.4 percent in Decatur. Other metro areas with significant declines in unemployment include Champaign-Urbana (down from 3.1 percent to 2.5 percent), Chicago (down from 6.5 percent to 6.1 percent), and the Metro East (down from 6.1 percent to 5.7 percent).

The lowest unemployment rates this May occurred in Bloomington-Normal (2.3 percent) and Champaign-Urbana (2.5 percent). Rockford experienced the highest rate at 7.5 percent, up slightly from the previous year.

UNEMPLOYMENT RATES BY ILLINOIS METRO AREA		
	May 2002	May 2003
Bloomington-Normal MSA	2.5%	2.3%
Champaign-Urbana MSA	3.1%	2.5%
Chicago PMSA	6.5%	6.1%
Decatur MSA	7.7%	6.4%
Kankakee MSA	6.4%	6.3%
Peoria-Pekin MSA	4.7%	4.9%
Quad Cities MSA (IL only)	4.9%	5.4%
Rockford MSA	7.4%	7.5%
St. Louis MSA (IL only)	6.1%	5.7%
Springfield MSA	4.2%	4.3%
Source: Illinois Department of Employment Security		

ILLINOIS HIGHLIGHTS

- The Harbour Report, an annual report on auto plant productivity, ranked Mitsubishi Motors best among North American automakers on the strength of the 21.33 hours of labor per vehicle produced at the company’s lone plant in Normal. Efficiency at the plant, which produces six models, has improved 45 percent since 1998.
- Fortune Magazine ranked Oak Brook-based McDonald’s the best large company for minorities for 2003, up from fifth in 2002. The company ranked well due to the diversity of its management team (20 percent of officers and 24 percent of middle management are minorities), the large number of minority-owned franchises, and the diversity of its suppliers. Chicago-based Hyatt, where minorities comprise 36.5 percent of all managers and officials, moved up one position to 18th. Abbott Laboratories in Abbott Park also made the list at 48th. The company has increased its percentage of minorities in management by 60 percent since 1999.

GLOBAL INSIGHT - MAY 2003 U.S. ECONOMIC OUTLOOK

- Economic forecasting firm Global Insight cites a number of reasons to be optimistic about near- to medium-term economic conditions. First, with the successful conclusion of the war in Iraq, oil prices have fallen and consumer and investor sentiment have rebounded. Second, fiscal and monetary policies are both stimulating the economy. Third, the unemployment rate remains modest compared to previous recessions. Fourth, after-tax income growth remains solid, and a robust housing market has offset some of the impact of the falling stock market. Fifth, corporate cash flow has improved. Sixth, productivity growth remains strong. Seventh, the falling dollar is beginning to boost U.S. exports.
- Not all indicators point to strong growth, however. First, U.S. corporations remain risk-averse, which limits investment. Second, capacity utilization remains low, which also limits investment. Third, employment continues to decline, though the rate of decline is slowing. Fourth, underfunded pensions will absorb billions of dollars of earnings over the next few years. Fifth, household debt levels remain high. Sixth, growth in the rest of the world remains weak, which limits exports.

For more information, contact:
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ILLINOIS ECONOMIC BULLETIN

MAY UNEMPLOYMENT FALLS TO 6.1 PERCENT

Illinois' seasonally-adjusted unemployment rate declined from 6.3 percent in April to 6.1 percent in May, according to statistics released by the Illinois Department of Employment Security (IDES). The three-month average, considered a more stable measure of unemployment, is 6.4 percent. Total employment has increased by 25,700 since May 2002, while total unemployment declined by 24,300. IDES Director Brenda A. Russell cautions that the decline in unemployment is partly attributable to "discouraged" workers who are no longer actively looking for work.

A monthly survey conducted by IDES showed, meanwhile, that employment has declined in nine of twelve major NAICS sectors over the last year. The sharpest declines occurred in Manufacturing (down 3.1 percent), Transportation, Warehousing and Utilities (down 2.7 percent), and Information (down 2.2 percent). Three sectors increased modestly: Educational and Health Services (up 0.9 percent), Retail Trade (up 0.7 percent), and Financial Activities (up 0.2 percent).

U OF I FLASH INDEX DECLINES SLIGHTLY IN JUNE

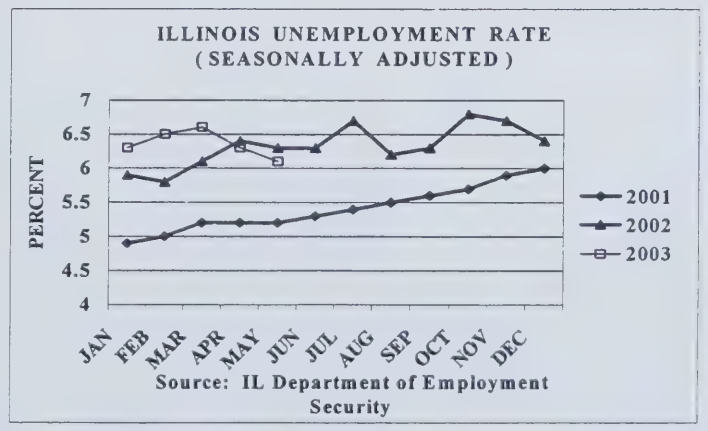
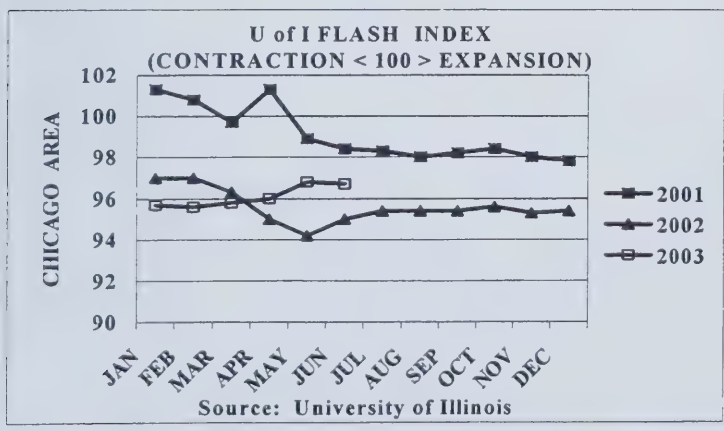
The University of Illinois' Flash Index declined slightly in June to 96.7, but faculty economist J. Fred Giertz regarded the results with cautious optimism. The index – based on corporate earnings, personal income, and consumer spending – remains below the 100 threshold for positive growth, and the economy has not experienced a vigorous "breakout." Yet, after fits and starts, there are indications that Illinois is growing out of its prolonged economic slump.

Vol. 15, No. 11, July 2003

RECENT IL INDICATORS

Unemployment Rate	
(May '03 - SA)	6.1%
(May '03 - NSA)	5.9%
Labor Force	6,380,400
(May '03 - SA)	
Labor Force Employed	5,988,700
(May '03 - SA)	
Employment Change	25,700
(Since May '02 - SA)	
Consumer Price Index Change	1.1%
(Since May '02 - Chicago)	
Total Exports	2.1 %
(April '02 - April '03)	
Purchasing Managers' Index	52.5
(June '03 - Chicago - SA)	
Flash Index	96.7
(June '03)	
Single Family Housing Permits	-4.2%
(May '02 - May '03)	

SA - Seasonally Adjusted
NSA - Not Seasonally Adjusted



For more information, contact:
John O'Conner, Illinois Department of Commerce and Economic Opportunity (DCEO)
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INDUSTRIAL RESEARCH AND DEVELOPMENT SPENDING

Illinois ranked fourth among the states with industrial R&D spending of \$10.7 billion in 2000, trailing California, Michigan, and New Jersey. The 2000 mark was up significantly from the \$6.2 total in 1997. Illinois’ 70.6 percent growth from 1997 to 2000 ranked 5th overall and first among major industrial states. Illinois’ per capita industrial R&D of \$857 in 2000 ranked 11th nationwide. The national average was \$707.

Industrial R&D Expenditures by State			
		2000 (millions)	% Change (1997-2000)
1	California	\$45,769	34.6%
2	Michigan	\$17,640	35.6%
3	New Jersey	\$12,062	9.0%
4	Illinois	\$10,661	70.6%
5	New York	\$10,539	6.0%
6	Massachusetts	\$9,863	18.8%
7	Washington	\$9,265	40.2%
8	Texas	\$8,961	23.3%
9	Pennsylvania	\$7,873	19.1%
10	Ohio	\$5,962	6.3%
11	Connecticut	\$4,371	45.0%
12	Minnesota	\$3,722	19.5%
13	North Carolina	\$3,672	2.3%
14	Florida	\$3,212	-6.7%
15	Colorado	\$3,140	39.7%
Source: National Science Foundation			

ILLINOIS HIGHLIGHTS

- The University of Chicago Hospitals were ranked 14th overall in a U.S. News and World Report survey of the best hospitals, ranking among the top 20 in nine specialties and as high as sixth (in Cancer and Digestive Disorders). Reputation and patient mortality were the primary factors in the ranking system.
- Five Illinois hospitals ranked in the top 50 in at least six medical specialties in the aforementioned U.S. News and World Report survey. They include the University of Chicago (12 specialties), Northwest Memorial Hospital in Chicago (12), Advocate Lutheran General Hospital in Park Ridge (six), F.G. McGaw Hospital at Loyola in Maywood (six), and Rush-Presbyterian-St. Luke’s Medical Center in Chicago (six).

GLOBAL INSIGHT - JUNE 2003 U.S. ECONOMIC OUTLOOK

- Despite the economy’s flat performance in recent months, economic forecasting firm Global Insight remains optimistic that growth will pick up in the second half of 2003. With tax cuts about to take effect, low interest rates, leaner corporations, and a depreciating dollar (which promotes exports), GDP growth is expected to accelerate to 4.2 percent for the second half of the year.
- In terms of real output, the U.S. economy is into its second year of growth. In terms of employment and hours worked, the economy is in its third year of contraction. The output growth is attributable to rising productivity, a double-edged sword that sets the table for long-term growth but does little to ease current unemployment. Recent data suggests, however, that the jobs market is stabilizing.
- While federal fiscal and monetary policy has been expansionary, state and local governments are, of necessity, getting serious about cutting spending to balance their budgets. Federal money from the “Jobs and Growth Tax Relief Reconciliation Act of 2003” will help but will not come close to filling budget holes in most states.

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ILLINOIS ECONOMIC BULLETIN

JUNE UNEMPLOYMENT RISES TO 6.4 PERCENT

Illinois' seasonally-adjusted unemployment rate increased from 6.2 percent in May to 6.4 percent in June, according to statistics released by the Illinois Department of Employment Security (IDES). The three-month average, considered a more stable measure of unemployment, is at 6.2 percent. Total employment has increased by 48,100 since June 2002, while total unemployment declined by 6,500. The unadjusted unemployment rate, which does not correct for predictable seasonal variations in employment, came in at 6.7 percent for June.

Seasonally-unadjusted unemployment rates for Illinois metro areas in June ranged from a low of 2.8 percent (Bloomington-Normal) to a high of 8.4 percent (Rockford).

PURCHASING MANAGERS' INDEX UP TO 55.9

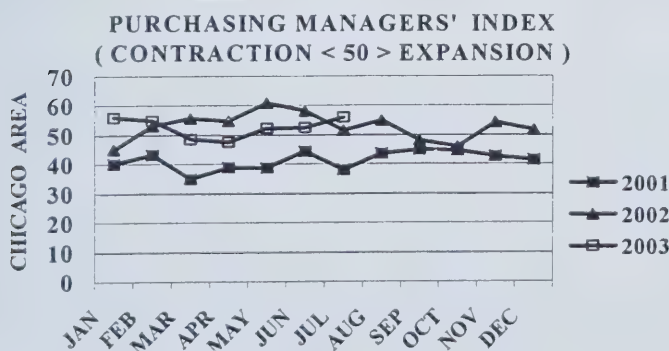
The Chicago Purchasing Managers' Business Barometer, a composite index reflecting economic activity in the Midwest, increased for the third consecutive month in July to 55.9. Values above 50 indicate expansion. The composite index was bolstered by strong values for the Production (58.4) and New Orders (61.7) indices. The employment index increased (from 43.8 in June to 46.0 in July), but remained below the threshold for positive growth as it has since early 2000. Inventories grew significantly smaller (from 48.8 in June to 39.4 in July), perhaps reflecting companies' reluctance to increase production in times of uncertainty. Inventories cannot be drawn down indefinitely, however; if current patterns hold, businesses may soon be forced to hire production workers.

Vol. 15, No. 12, August 2003

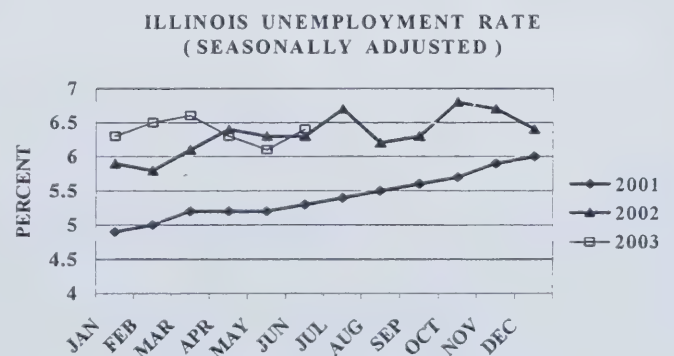
RECENT IL INDICATORS

Unemployment Rate	
(June '03 - SA)	6.4%
(June '03 - NSA)	6.7%
Labor Force	6,404,500
(June '03 - SA)	
Labor Force Employed	5,996,700
(June '03 - SA)	
Employment Change	48,100
(Since June '02 - SA)	
Consumer Price Index Change	1.2%
(Since June '02 - Chicago)	
Total Exports	1.2%
(June '02 - June '03)	
Purchasing Managers' Index	55.9
(July '03 - Chicago - SA)	
Flash Index	96.7
(July '03)	
Single Family Housing Permits	16.8%
(June '02 - June '03)	

SA - Seasonally Adjusted
NSA - Not Seasonally Adjusted



Source: National Association of Purchasing Management



Source: IL Department of Employment Security

For more information, contact:

John O'Conner, Illinois Department of Commerce and Economic Opportunity (DCEO)
217/557-1820 ■ 800/785-6055 (TDD)

ILLINOIS EXPORTS BY SECTOR

Illinois exports increased by \$1.2 billion in 2002, reversing a decline in 2001. Eight Illinois industries exported more than \$1 billion in 2002, led by the Machinery (excluding electrical) industry with \$7.58 billion. While this sector saw exports fall \$300 million from 2001, the next four largest exporting industries experienced strong growth: Computer and Electronic Products (\$6.04 billion), Chemicals (\$5.03 billion), Transportation Equipment (\$2.72 billion), and Agricultural Products (\$2.50 billion).

	TOP EXPORTING INDUSTRIES IN ILLINOIS (DOLLARS)			
	INDUSTRY	2000	2001	2002
1	MACHINERY, EXCEPT ELECTRICAL	8,461,862,936	7,881,790,754	7,577,506,382
2	COMPUTER AND ELECTRONIC PRODUCTS	5,385,833,146	5,318,241,292	6,044,855,522
3	CHEMICALS	4,614,245,616	4,603,267,436	5,030,274,964
4	TRANSPORTATION EQUIPMENT	2,198,468,358	2,181,450,218	2,719,343,006
5	AGRICULTURAL PRODUCTS	2,076,287,733	2,157,351,453	2,499,517,814
6	ELECTRICAL EQUIPMENT, APPLIANCES, AND COMPONENT	1,959,044,751	2,182,159,337	1,801,893,976
7	FOOD AND KINDRED PRODUCTS	1,540,822,710	1,757,146,226	1,772,816,421
8	FABRICATED METAL PRODUCTS, NESOI	1,044,506,439	919,827,912	1,048,897,293
9	PLASTICS AND RUBBER PRODUCTS	895,166,171	877,396,638	871,892,868
10	MISCELLANEOUS MANUFACTURED COMMODITIES	998,336,367	983,774,942	832,193,054
11	PRIMARY METAL MANUFACTURING	682,062,817	627,267,813	600,407,287
12	PAPER	494,449,125	456,264,069	419,578,658
13	PRINTING, PUBLISHING AND SIMILAR PRODUCTS	325,150,087	320,337,917	310,334,190
14	SPECIAL CLASSIFICATION PROVISIONS, NESOI	263,424,854	216,370,688	203,274,866
15	PETROLEUM AND COAL PRODUCTS	129,295,122	72,157,631	187,139,085
	TOTAL ALL INDUSTRIES	32,249,262,324	31,807,094,860	33,018,591,382

Source: Massachusetts Institute for Social and Economic Research

ILLINOIS HIGHLIGHTS

- Illinois ranked third in Site Selection Magazine’s inaugural Competitiveness Award, based on ten quantifiable criteria relating to capital investment and job creation. Illinois trailed only Tennessee and Michigan, giving the list a strong Midwest presence. The top five was rounded out by North Carolina and New York.
- The Illinois Association of Realtors reports that second quarter single-family home sales increased 4.5 percent from the same period a year ago to a total of 33,968, as buyers took advantage of the lowest mortgage rate in decades. The median price of single-family home increased 7.0 percent over the second quarter of 2002 to \$174,700.

GLOBAL INSIGHT - JULY 2003 U.S. ECONOMIC OUTLOOK

- Economic forecasting firm Global Insight notes that seven quarters into its recovery, the economy continues to shed jobs and business holds back on investment. Global Insight concurs with the conventional wisdom that the second half of 2003 will be better; the question is how much better and whether the improvement will be sustained for the long haul.
- Global Insight forecasts robust growth of 3.8 percent for the second half of 2003 and 2004. Such growth would be sufficient to slowly decrease unemployment rates. Increased equipment purchases and strong export performance are key elements of this forecast. Automotive production, the largest drag on the economy during the second quarter, is expected to be neutral.
- The benefit of the weaker dollar to exporters will take effect slowly. It takes time for companies to rearrange their purchasing patterns, and growth overseas is more sluggish than in the U.S.

For more information, contact:
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ILLINOIS ECONOMIC BULLETIN

ILLINOIS ECONOMIC BULLETIN AVAILABLE ON-LINE

Vol. 16, No. 5, January 2004

In order to reduce mailing expenses, DCEO is planning to phase out mailings of the Illinois Economic Bulletin. Beginning with the February 2004 edition, the department will no longer be able to mail out copies to our existing mailing list. Readers will still be able to find new and recent issues posted on DCEO's web site in pdf format at <http://www.illinoisbiz.biz/bus/research/ilfacts.html>.

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UNEMPLOYMENT HOLDS STEADY

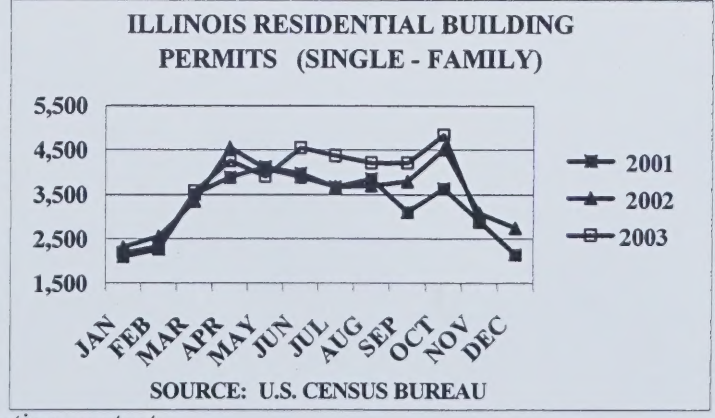
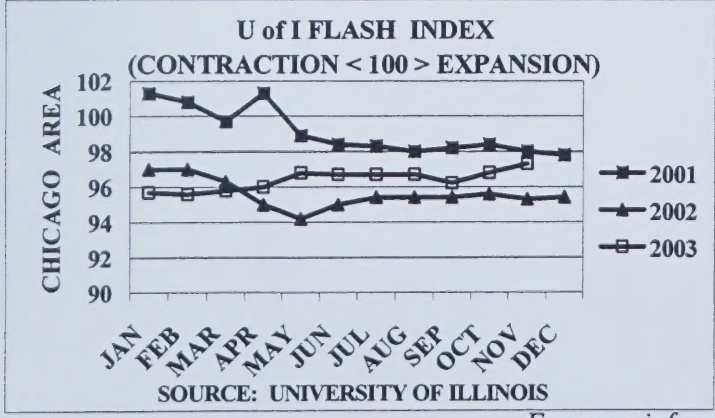
Illinois' seasonally-adjusted unemployment rate remained at 6.7 percent in November, according to statistics released by the Illinois Department of Employment Security (IDES). The three-month average, considered a more stable measure of unemployment, is at 6.8 percent. While total employment has increased by more than 107,000 over the last 12 months, the unemployment rate is unchanged. The unadjusted unemployment rate, which does not correct for predictable seasonal variations in employment, was 6.4 percent in November.

According to IDES Director Brenda A. Russell, November labor force statistics "indicate decreasing job losses consistent with the end of a period of hiring contraction". Russell also noted, however, that some sectors are faring considerably better than others.

RECENT IL INDICATORS

Unemployment Rate	
(November '03 - SA)	6.7 %
(November '03 - NSA)	6.4 %
Labor Force	6,486,200
(November '03 - SA)	
Labor Force Employed	6,049,400
(November '03 - SA)	
Employment Growth	107,200
(November '02 - November '03 - SA)	
Consumer Price Index Increase	1.3%
(November '02 - November '03)	
Exports Growth	-1.1%
(November '02 - November '03)	
Purchasing Managers' Index	59.2
(December '03 - Chicago - SA)	
Flash Index	98.0
(December '03)	
Single Family Housing Permits	-6.7%
(November '02 - November '03)	

SA - Seasonally Adjusted
NSA - Not Seasonally Adjusted



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PERCENTAGE OF RESIDENTS WITH BACHELOR’S DEGREES BY STATE

According to the 2000 Census, Illinois ranks 14th among the 50 states in its share of residents 25 and older with at least a Bachelor’s degree with 26.1 percent. This compares favorably to the national average of 20.3 percent and the Midwest average of 18.4 percent. Nationwide, states range from a high of 33.2 percent in Massachusetts to a low of 14.8 percent in West Virginia.

EDUCATIONAL ATTAINMENT BY STATE					
Rank	State	% Bachelor’s Degree or more	Rank	State	% Bachelor’s Degree or more
1	Massachusetts	33.2%	26	Texas	23.2%
2	Colorado	32.7%	27	Maine	22.9%
3	Connecticut	31.4%	28	North Carolina	22.5%
4	Maryland	31.4%	29	Pennsylvania	22.4%
5	New Jersey	29.8%	30	Wisconsin	22.4%
6	Virginia	29.5%	31	Florida	22.3%
7	Vermont	29.4%	32	North Dakota	22.0%
8	New Hampshire	28.7%	33	Wyoming	21.9%
9	Washington	27.7%	34	Michigan	21.8%
10	Minnesota	27.4%	35	Idaho	21.7%
11	New York	27.4%	36	Missouri	21.6%
12	California	26.6%	37	South Dakota	21.5%
13	Hawaii	26.2%	38	Iowa	21.2%
14	Illinois	26.1%	39	Ohio	21.1%
15	Utah	26.1%	40	South Carolina	20.4%
16	Kansas	25.8%	41	Oklahoma	20.3%
17	Rhode Island	25.6%	42	Tennessee	19.6%
18	Oregon	25.1%	43	Indiana	19.4%
19	Delaware	25.0%	44	Alabama	19.0%
20	Alaska	24.7%	45	Louisiana	18.7%
21	Montana	24.4%	46	Nevada	18.2%
22	Georgia	24.3%	47	Kentucky	17.1%
23	Nebraska	23.7%	48	Mississippi	16.9%
24	Arizona	23.5%	49	Arkansas	16.7%
25	New Mexico	23.5%	50	West Virginia	14.8%

Source: U.S. Census Bureau, 2000 Census

ILLINOIS HIGHLIGHTS

- Fortune magazine’s ranking of the 100 Best Companies to Work For includes CDW Corporation, a Vernon Hills wholesaler of electronics and office equipment, at number 11. This marks the sixth consecutive year that CDW has been ranked among the top 100 on this list.
- The Associated Press reports that Chicago’s O’Hare Airport was again the world’s busiest airport in 2003, based on 931,000 take-offs and landings. Atlanta’s Hartsfield-Jackson Airport was projected to have the most passengers for the year.

GLOBAL INSIGHT - DECEMBER 2003 U.S. ECONOMIC OUTLOOK

- Economic forecasting firm Global Insight reports that long-awaited gains in jobs and unemployment are finally occurring. The third quarter “produced one giant, last gasp of doing more with less,” with a 9.4 percent increase in productivity. Hiring picked up over the summer and seems to be increasing. As new workers enter the work force, productivity growth will slip to a more sustainable pace, averaging 2.6 percent for the next few years.
- Foreign trade is expected to turn the corner, with net exports making a positive contribution to GDP growth by the middle of 2004. Exports are on the upswing largely because value of the dollar has declined approximately 20 percent versus the currencies of our major trading partners, making American products cheaper overseas.
- A growing and vocal minority at the Fed believes that inflation now poses a greater risk than deflation, due to strong recent growth, expansionary federal fiscal policy, and a weaker dollar. Global Insight therefore projects that the Fed will begin to tighten monetary policy no later than June, and perhaps sooner.

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Illinois Economic Bulletin



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ILLINOIS ECONOMIC BULLETIN

DECEMBER UNEMPLOYMENT AT 6.7 PERCENT

Illinois' seasonally adjusted unemployment rate held steady at 6.7 percent in December, according to statistics released by the Illinois Department of Employment Security (IDES). While total employment increased by 8,500 jobs since December 2002, the unemployment rate increased by 0.1 percent over that span. The three-month average, considered a more stable measure of unemployment, is also at 6.7 percent. The unadjusted unemployment rate, which does not correct for predictable seasonal variations in employment, was 6.4 percent in December.

PURCHASING MANAGERS' INDEX JUMPS TO 65.9

The Chicago Purchasing Managers' Composite Index increased for the ninth consecutive month in January, easily eclipsing the 50.0 threshold for positive regional economic growth with a value of 65.9. January also marked the third consecutive month with an index value over 60. The composite index was strongly influenced by the production index, which reached a twenty-year high of 76.5.

FLASH INDEX CONTINUES TO EDGE UPWARDS

The University of Illinois' Flash Index – a weighted average of Illinois growth rates in corporate earnings, personal income, and consumer spending – increased from 98.0 in December 2003 to 98.5 in January 2004. U of I Economist J. Fred Giertz suggests that Illinois may be within striking distance of reaching 100, the threshold for positive growth and territory Illinois has not reached since the spring of 2001.

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RECENT IL INDICATORS

Unemployment Rate
(December '03 - SA) 6.7 %
(December '03 - NSA) 6.4 %

Labor Force 6,342,000
(December '03 - SA)

Labor Force Employed 5,912,000
(December '03 - SA)

Employment Growth 8,500
(December '02 - December '03 - SA)

Consumer Price Index Increase 1.7%
(December '02 - December '03)

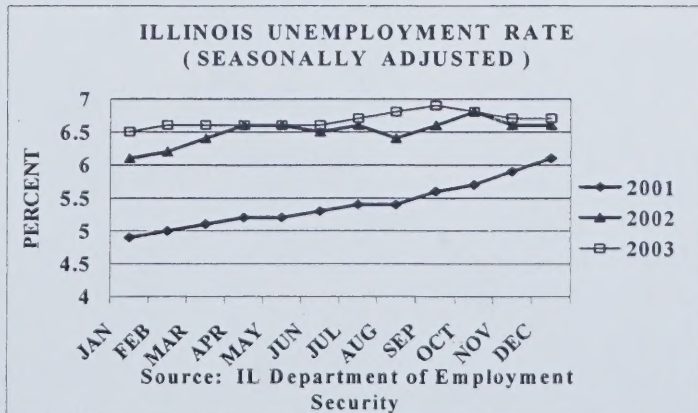
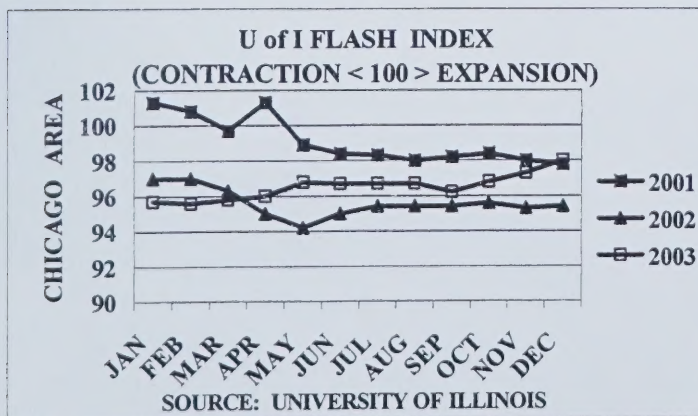
Exports Growth 15.7%
(December '02 - December '03)

Purchasing Managers' Index 65.9
(January '04 - Chicago - SA)

Flash Index 98.5
(January '04)

Single Family Housing Permits -6.1%
(December '02 - December '03)

SA - Seasonally Adjusted
NSA - Not Seasonally Adjusted



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U.S. EXPORTS BY STATE IN 2003

According to the Massachusetts Institute for Social and Economic Research (MISER)¹, Illinois ranked seventh among U.S. states with exports of \$26.5 billion in 2003, accounting for approximately 4% of American exports. Texas had the highest exports for the second year, followed by California, New York, Washington, Michigan, Ohio, Illinois, Florida, Massachusetts, and Louisiana.

A review of the following list reveals how geography can affect exports. It is no accident that Texas, the top exporting state, shares a long border with Mexico, the United States' second-largest trading partner. Washington state ranks fourth in exports due to the Pacific trade, despite ranking only 16th in total manufacturing shipments (behind such states as Missouri, which trails far behind in exports). Midwestern industrial states Ohio, Michigan and Illinois, meanwhile, rank third, fourth and fifth, respectively, in total manufacturing shipments, but rank lower in exports since a higher proportion of their shipments go to domestic markets.

U.S. EXPORTS BY STATE, 2003					
	STATE	EXPORTS (\$)		STATE	EXPORTS (\$)
1	TEXAS	98,846,083,000	26	MISSOURI	7,233,937,000
2	CALIFORNIA	93,994,882,000	27	COLORADO	6,109,121,000
3	NEW YORK	39,180,708,000	28	IOWA	5,236,296,000
4	WASHINGTON	34,172,826,000	29	MARYLAND	4,940,631,000
5	MICHIGAN	32,941,109,000	30	KANSAS	4,553,334,000
6	OHIO	29,764,418,000	31	UTAH	4,114,540,000
7	ILLINOIS	26,472,902,000	32	ARKANSAS	2,962,153,000
8	FLORIDA	24,953,414,000	33	ALASKA	2,738,558,000
9	MASSACHUSETTS	18,662,575,000	34	NEBRASKA	2,723,670,000
10	LOUISIANA	18,390,130,000	35	OKLAHOMA	2,659,603,000
11	NEW JERSEY	16,817,673,000	36	VERMONT	2,626,922,000
12	INDIANA	16,402,279,000	37	MISSISSIPPI	2,558,259,000
13	PENNSYLVANIA	16,299,212,000	38	WEST VIRGINIA	2,379,808,000
14	GEORGIA	16,286,235,000	39	NEW MEXICO	2,325,609,000
15	NORTH CAROLINA	16,198,733,000	40	MAINE	2,188,413,000
16	ARIZONA	13,323,392,000	41	IDAHO	2,095,799,000
17	TENNESSEE	12,611,793,000	42	NEVADA	2,032,599,000
18	SOUTH CAROLINA	11,772,894,000	43	NEW HAMPSHIRE	1,931,412,000
19	WISCONSIN	11,509,835,000	44	DELAWARE	1,886,118,000
20	MINNESOTA	11,265,660,000	45	RHODE ISLAND	1,177,475,000
21	VIRGINIA	10,852,981,000	46	NORTH DAKOTA	854,072,000
22	KENTUCKY	10,733,781,000	47	SOUTH DAKOTA	672,268,000
23	OREGON	10,357,199,000	48	WYOMING	581,636,000
24	ALABAMA	8,340,387,000	49	HAWAII	368,227,000
25	CONNECTICUT	8,136,443,000	50	MONTANA	361,416,000
Source: Massachusetts Institute for Social and Economic Research					

ILLINOIS HIGHLIGHTS

- Illinois ranked third among the states by placing six companies in Fortune magazine's latest ranking of "Most Admired Companies." These companies, including CDW Corporation (Wholesale: Electronics and Office Equipment), Deere & Company (Industrial and Farm Equipment), Fortune Brands (Home Equipment, Furnishings), Pactiv Corporation (Packaging, Containers), R.R. Donnelley & Sons (Printing), and Walgreen Company (Food and Drug Stores), were ranked as the top firms by executives, directors, and securities analysts in their respective industries.

GLOBAL INSIGHT - JANUARY 2004 U.S. ECONOMIC OUTLOOK

- Economic forecasting firm Global Insight continues to forecast a robust growth rate of 4.7 percent for 2004. Consumer spending eased less than feared during the fourth quarter following a third quarter spurt. Business equipment spending and exports are picking up as expected.
- Many labor market indicators, including new unemployment claims, have been upbeat in recent months, but hiring remains lackluster. The employment picture is expected to improve, but if the jobs drought nonetheless persists, it could eventually undermine the recovery by dampening consumer spending.

¹ MISER's exports estimates are based on Shipper's Export Declarations (SED) data collected by the U.S. Census Bureau. The SED data does not capture foreign trade in services, and some exported commodities (notably agricultural products) are often over-allocated to states with international ports at the expense of interior states where the commodity is actually produced.